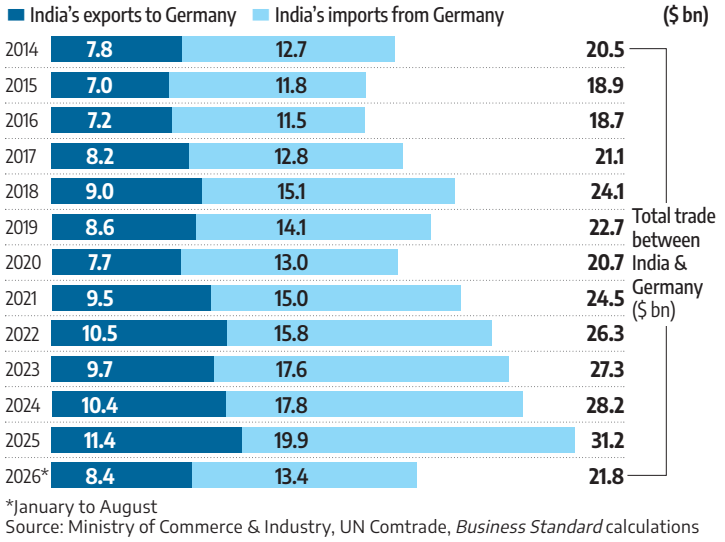
DATANOMICS

Indo-German trade needs 60+ years to hit €310 bn at current rate

JAYANT PANKAJ

Union Commerce & Industry Minister Piyush Goyal recently announced an ambitious target: To increase India-Germany bilateral trade nearly 10 times to €310 billion (about $344 billion). However, this is not an easy goal to meet, considering historical trends. India's total trade with Germany grew modestly from $20.5 billion in 2014 to $31.2 billion in 2025 — a compound annual growth rate (CAGR) of just 3.9 per cent over 11 years. At the current pace, it would take around 62 years to reach the $344 billion mark. Even with the anticipated boost from the India-European Union free-trade agreement, achieving this target within the next decade would demand a CAGR of 27.1 per cent. Furthermore, India has consistently run a trade deficit with Germany. The deficit expanded from 3.5 per cent of total trade in 2014 to a peak of 5.5 per cent in 2020, before narrowing to 2.7 per cent in 2025.

India-Germany trade's post-Covid rise



*January to August
Source: Ministry of Commerce & Industry, UN Comtrade, *Business Standard* calculations

Ambitious target

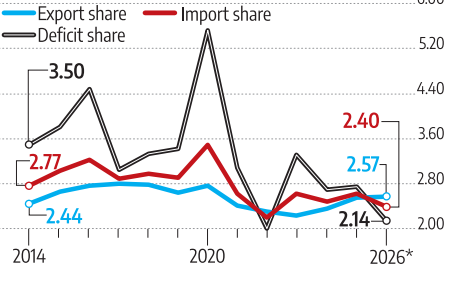
Years to achieve $344 billion target*** (■=1 year)



*3.4 is the CAGR of total trade between India and Germany between 2014-25. **CAGR if the target is to be achieved in 10 years, ***$344 billion is the value of €310 bn on the exchange rate of €0.9 against the dollar as prevailed in 2025 (average monthly)
Source: Ministry of Commerce and Industry, X rates, *Business Standard* calculations

India in constant trade deficit with Germany

Share of Germany in India's total trade (%)



*2026 data is as of August
Source: Ministry of Commerce and Industry, UN Comtrade, *Business Standard* calculations

Key India-Germany trade items since 2018*

Export category	Share of exports to Germany (%)	Import category	Share of imports from Germany (%)
Turbo-jets with thrust > 25 kN	2.9	Airplanes & other aircraft**	13.6
Meds put up for retail sale	2.8	Parts & accessories of motor vehicles	1.9
Smartphones	2.7	Turbo-jets with thrust > 25 kN	1.2
Parts & accessories of motor vehicles	2.1	Other mechanical appliances (heading 8,479)	1.1
Parts for electric motors & generators	1.5	Other machinery (subheading 8,477.80)	1.0

*From 2018 to (August) 2026; **Unladen weight > 15,000 kg. kN: Kilonewton
Source: Ministry of Commerce and Industry, *Business Standard* calculations